



McGregor W. Scott

United States Attorney
Eastern District of California

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
Tel (916) 554-2700
TTY (916) 554-2855

NEWS RELEASE

Fresno
2500 Tulare St., Suite 4401
Fresno, CA 93721
Tel (559) 497-4000
TTY (559) 497-4500

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Contact: Rosemary Shaul, 916-554-2700

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HAWAII MAN SENTENCED TO SIXTEEN MONTHS IN PRISON **FOR CONDUCTING A MULTI-MILLION DOLLAR** **INTERNATIONAL CABLE PIRACY BUSINESS**

SACRAMENTO—United States Attorney McGregor W. Scott announced today that CARLO RICARDO MIRELES, age 36, a current resident of Hawaii, and a former resident of Las Vegas, Nevada, was sentenced this morning by Senior United States District Judge D. Lowell Jensen to sixteen months in prison for his participation in a nationwide and international cable piracy scheme. The sale and distribution of over 100,000 cable descramblers designed to illicitly obtain cable programming resulted in gross sales of over \$12 million.

The case is the product of an extensive investigation jointly conducted by the Sacramento Valley Hi Tech Crimes Task Force, the Internal Revenue Service-Criminal Investigation, and the United States Secret Service, with the assistance of the United States Postal Inspection Service.

Defendant MIRELES, one of the principals of the scheme, had previously pled guilty on February 12, 2004, to seven felony charges associated with the scheme including: (1) conspiracy to assist in the unlawful interception and reception of communications services offered over a cable system and to commit mail fraud (one count); (2) mail fraud (one count); (3) assisting in the unlawful interception and reception of communications services offered over a cable system (4 counts); and (4) conspiracy to commit money laundering (one count). In addition to imposing the custodial sentence, Judge Jensen placed the defendant on supervised release for a period of three years following his sentence and ordered the defendant to forfeit to the Government the cash value of a series of real properties, bank accounts, and vehicles totaling in excess of \$250,000.

Co-defendant DARRYL SCOTT POLL, age 44, of Moorpark, California (Simi Valley, Ventura County), a co-owner of the illicit scheme was previously sentenced by former United States District Judge David F. Levi, on June 7, 2007, to five years of prison, ordered to pay a fine of \$350,000, and placed on supervised release for a period of three years following his sentence. Defendant POLL had previously pleaded guilty to eight felony charges of assisting in the unlawful interception and reception of communications services offered over a cable system.

According to Assistant United States Attorney S. Robert Tice-Raskin, who prosecuted the case, between approximately June, 1998 and December, 2003, POLL and MIRELES, doing

business as Wholesale Electronics and Red Rock Group, Ltd., operated a business which manufactured and sold cable television descramblers allowing illicit access to cable programming. The defendants advertised the descramblers extensively through a series of web sites on the Internet and also through national magazines. The defendants and their employees manufactured and sold the devices from facilities located in Simi Valley, California and/or Las Vegas, Nevada. The devices were specifically modified and/or designed to allow consumers to receive premium and pay-per-view cable television programming without the knowledge or authorization of cable operators. As a result, consumers across the United States and in various foreign countries were able to use the descramblers to receive unlimited cable programming for free, depriving cable operators of subscription fees for the pirated programming. It is believed that defendants sold approximately 100,000 illicit descramblers and received over \$12 million in revenue from these sales. Both Judges Jensen and Levi determined that the “infringement amount,” a reasonable estimate of the pecuniary harm caused to cable operators through loss of programming revenue, was over \$7 million.

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